

Audit Committee – 25<sup>th</sup> March 2015

## **2015/16 SWAP Internal Audit Plan**

*Head of Service:* Gerry Cox, Chief Executive – SWAP  
*Lead Officer:* Andrew Ellins, Audit Manager  
*Contact Details:* [andrew.ellins@southwestaudit.co.uk](mailto:andrew.ellins@southwestaudit.co.uk)

### **Purpose of the Report**

This report has been prepared for the Audit Committee to provide them with details of the audits planned for the next financial year.

### **Recommendation**

To agree the Internal Audit Plan of 369 days for April 2015 to March 2016.

### **Background**

The Total number of audit days planned for 2015-16 is 369 days. A reduction of 50 days was made to the plan for 2014-15 as part of the Council's efficiency savings and the current level is considered the coverage required in order to be able to provide an overall assurance rating on the Council's internal control framework and governance.

As last year, this plan has been collated with a view to providing assurance to both officers and members of the current and imminent risks faced by the Authority in an ever changing risk environment. The plan is only indicative to facilitate the planning of audit resources. We anticipate that the plan will have to remain flexible to address new and emerging risks faced by the Council.

**Key Control Audits** - This process focuses primarily on key risks relating to the Council's major financial systems. It is essential that all key controls identified by the External Auditors are operating effectively to provide management with the necessary assurance. To this end we have liaised with them and included any requirements they have in providing them necessary assurance, in line with the International Auditing Standards, that they are required to audit against. There are 8 recognised key financial systems; Capital Accounting, Creditors, Debtors, Housing and Council Tax Benefits, Main Accounting, Council Tax & Non-Domestic Rates, Payroll, Treasury Management.

The Audit Committee will be aware from the quarterly update reports that in recent years the key control audits have continued to receive high levels of assurance and several received substantive assurance. As a result, using a risk based methodology all of the key controls do not need an annual review. For 2015-16 we plan to cover the following 6 areas in respect of the financial system key controls;

- New Payroll System
- Housing and Council Tax Benefit
- New NDR System
- Aged Debt Management
- Council Tax Collection
- Key Income Streams

**Governance, Fraud and Corruption Audits** – This process focuses primarily on key risks relating to cross cutting areas that are controlled and/or impact at a corporate rather than service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk or could be subject to fraud. This work will, in some cases, enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting these reviews at all our Client Sites. There are 8 reviews planned;

- Expenses and Reimbursement Fraud Prevention
- Lean Thinking Benefit Realisation
- Asset Register & Land Record Management
- Civil Contingencies / Disaster Recovery
- Contract Management compliance with PPR's
- Imprest Accounts
- Mobile and Remote Working – H&S
- Risk Strategy & TEN Risk Management

**IT Audits** – IT Reviews are completed to provide the Authority with assurance with regards to their compliance with industry best practice. SWAP has a specialist Computer Audit Manager who has liaised with the I.T. Manager to identify specific I.T. related risks. There will be 3 specialist reviews;

- ICT - Telephony
- ICT - Data Centre - Physical & Environmental Controls
- ICT - Mobile & Remote Working

**Operational Audits** - Operational audits are a detailed evaluation of a service or functions control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated. There are 7 audits planned;

- Yeovil Innovation Centre
- Property Services
- Ninesprings Café
- Leisure Centres / Hub – Contract Compliance
- Environmental Health – Private Sector Housing
- Boden Mill and Chard Regeneration Scheme Statement of Accounts
- Yeovil Crematorium and Cemetery Annual Return

**Follow Up Audits** – Internal Audit follow up on all Audits being given a 'Partial or No Assurance' level to ensure that agreed actions to mitigate risks have been implemented. There are 2 Partial's to follow up to date with a contingency should there be a partial rating from the current audits not yet completed in 2014-15. A further review of Section 106 Discharge of Planning Requirements is also planned;

- Printing & Copying
- Streetscene Enforcement
- Contingency
- S106 DPO's Reassurance

**Advice and Meetings** - Internal Audit are risk experts and as well as undertaking planned audits are always glad to assist officers where they seek advice on managing their risks. Similarly, to enable effective governance Internal Audit work closely with the Audit Commission and with the Section 151 Officer and the Audit Committee through regular liaison meetings and progress reporting.

### **Financial Implications**

There are no financial implications associated with these recommendations.

**Background Papers:**      *None*

---